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SUBJECT: POLITICAL LEADERS PREFER JAPANESE CARS OVER "RIDING ON A COW'S BACK"

¶1. Summary. It is clear that citizens of the Russian Far East are strongly against Moscow's effort to encourage the Russian car manufacturing industry by increasing customs fees on imported second-hand Japanese cars. Political leaders in the region, however, are caught between the clear will of their constituents and federal directives issued by Moscow. As politicians in the Russian Far East find themselves increasingly evaluated by citizens on how they stand on the policy, few are showing support for using Russian-built cars.

Plenty of Japanese Cars For Official Use

¶2. On January 22, Vladivostok Mayor Igor Pushkaryov presented twenty imported right-hand-drive Nissan and Toyota vehicles to the Vladivostok militia for official use. He stated "these cars are best for the traffic police's needs. According to specialists, these right-hand-drive cars are optimal due to their price to quality ratio." One month earlier Mayor Pushkaryov presented twenty imported Japanese cars to municipal medical clinics.

¶3. Pushkaryov is in an interesting position. He is the mayor of the city at the epicenter of recent demonstrations and initially expressed support for the demonstrators. He must also keep one eye on how Moscow will react to support he offers them. During the first demonstration against customs fees in November, Pushkaryov made a speech supporting the demonstrators' position and signed a petition against the customs fee increase. During a subsequent demonstration, however, he turned away demonstrators who appeared in front of his office for further support.

¶4. While demonstrators in Vladivostok have been having difficulty obtaining demonstration permits, those in Khabarovsk have had an easier time. One reason may be their governor's own preference for Japanese imports. Governor Viktor Ishayev recently related to journalists his experience of switching from Russian-made to Japanese cars. He likened riding in Russian car as being "like riding on a cow's back."

¶5. Officials throughout the region have continued purchasing Japanese imports. According to an unnamed source at the Vladivostok automobile registration agency, the Far Eastern Directorate of the Russian Federal Construction Agency registered two dozen new Toyota Land Cruisers in late December 2008. Nikolay Kologorov, Khabarovsk regional Minister for Agriculture stated in the media that "before purchasing Russian vehicles it is necessary to measure all the pros and cons. A 15 percent customs increase is no reason to stop relying on foreign technical expertise."

Governor's Russian Car Directive Ignored

¶6. One official actually echoing Moscow's position is Amur

Governor Oleg Kozhemyako, who called on all public officials in the oblast to use Russian-made automobiles -- a directive which met with little enthusiasm. Blagoveshchensk Mayor Aleksandr Migulya publicly responded that he will refuse to trade in his Toyota for a Russian car, since he has no complaints with it and has no good reason to replace it. Amur Oblast Senator Amir Gallyamov also expressed disapproval with Kozhemyako's edict, stating to the press that "RFE residents should personally decide what car is more suitable for their own needs." He further stated that though he agrees that Russian automobile producers deserve support, competition should not be stifled and that he doubts federal actions will be successful in improving local industry.

17. Comment. Despite directives from the Kremlin to support domestic industry, most political leaders in the RFE refuse to give up their Japanese imports. They realize that the issue of increased fees for imported Japanese automobiles is of paramount concern for residents and few officials publicly express support for the Kremlin's move. This weekend's unofficial rally in Vladivostok may be a harbinger of further demonstrations, or an indication that the popular movement against higher import duties is already out of gas owing to the firm line from Moscow.

We expect continued discontent in the RFE over the issue, but a more cautious approach from protesters and an interesting balancing act from officials.

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